

ORDINANCE NUMBER 2015-04

**AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF WALTON COUNTY, FLORIDA, GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION TO EMPIRE TRUCK SALES, LLC, PURSUANT TO SECTION 196.1995 OF THE FLORIDA STATUTES (2014); PROVIDING A TERM FOR THE EXEMPTION AND AN EFFECTIVE DATE**

**Be It Ordained by the Board of County Commissioners of Walton County:**

**Section 1. Authority; Intent**

The Board of County Commissioners of Walton County, Florida, pursuant to the authority in section 196.1995, Florida Statutes (2012) voted to hold a referendum regarding the grant of tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the County. The referendum passed with 63.42% approval. Therefore, the Board has the authority to grant Economic Development Ad Valorem Tax Exemption to new businesses and expansions of existing businesses that are expected to create new, full time jobs in the County. On September 23, 2014, the Walton County Property Appraiser determined that the property owned by Empire Truck Sales, Inc., meets the definition for a new business or expanding business as defined by Section 196.012(14) or (15). A copy of that application and determination is attached hereto as Exhibit "A." The real property subject to this request for the exemption is attached hereto as Exhibit "B."

**Section 2. Walton County Tax Base**

The total amount of revenue available to Walton County from ad valorem tax sources for the current fiscal year is \$45,414,473.00. Walton County has lost revenue for the current fiscal year (2014 – 2015) as a result of economic development ad valorem tax exemptions in the amount of \$3,484.00.

**Section 3. Approval of Exemption for New Business**

Empire Truck Sales, LLC, operates large new and used truck dealerships and services and plans to locate a dealership selling Freightliner Trucks in Walton County, Florida. The Company purchased the property described in Exhibit "B," and expects to construct a new Freightliner Truck Dealership on said property at an estimated cost of \$4,000,000.00. The company expects to create up to 10 new jobs at start up with an estimated gross payroll of \$410,000.00 per years; 12 new jobs after three years of operation with an estimated gross payroll of \$492,000.00 and 16 new jobs after 8 years of operation with an estimated gross payroll of \$678,000.00. The estimated tax revenue lost to the County for the current fiscal year for the real property for which the exemption is requested is \$16,861.00. The estimated taxable value lost to the County for this exemption is \$450,000.00.

Drafted by the Office of the County Attorney.

Approved by the Board of County Commissioners March 24, 2015.

Therefore, the Board finds, pursuant to Statute and the Policies and Procedures enacted by the Board on November 25, 2014, that Empire Truck Sales, LLC, is eligible for and is hereby granted a real property and tangible personal property tax exemption pursuant to Section 196.1995, Florida Statutes for the expansion of its business. Said exemption shall begin in the tax year 2015 and continue for a period of five (5) years until the end of the 2020 tax year unless terminated by either party pursuant to the terms and conditions of this agreement, or extended for an additional period of time, not to exceed a total (including the extension) of ten years, by a majority vote of the Walton County Board of County Commissioners. However, in no event shall the exemption exceed \$21,250.00 annually of taxes owed. The County and Empire Truck Sales, LLC, will negotiate a contract, subject to the approval of the Board of County Commissioners, which will set out the terms and conditions of compliance with Section 196.1995, Florida Statutes, and implement the terms and conditions of the exemption. Further, the Contract will contain language that requires review and amendment or repeal of the exemption if Walton County's ad valorem tax base decreases by 10% from one tax year to the next.

**Section 4. Codification**

This ordinance shall not be codified.

**Section 5. Effective Date**

This ordinance will be effective upon filing with the Department of State in accordance with section 125.66(2), Florida Statutes (2014) and shall remain in effect for a period of five (5) years unless otherwise amended or repealed pursuant to Section 3 above.

DULY ADOPTED on this 24<sup>th</sup> day of March, 2015

ATTEST

  
\_\_\_\_\_  
Alex Alford  
Clerk of the Circuit Court

BOARD OF COUNTY COMMISSIONERS  
WALTON COUNTY, FLORIDA

  
\_\_\_\_\_  
Bill Imfeld, Chair

Drafted by the Office of the County Attorney.  
Approved by the Board of County Commissioners March 24, 2015.

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**ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION**  
Chapter 196.1995, Florida Statutes

DR-418  
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both, no later than March 1 of the year the exemption is desired to take effect.

|   |  |
|---|--|
| 1 Business name<br>Empire Truck Sales, LLC  | Mailing address<br>P.O. Box 54325                                      |
| 2 Please give name and telephone number of owner or person in charge of this business.<br>Name<br>Gerald S. Swanson   | Jackson, MS 39288-4325<br>Telephone number<br>6019395000               |
| 3 Exact Location (Legal Description and Street Address) of Property for which this return is filed<br>10 acres-Mossy Head Industrial Park-Sandmine Road @ State HWY 285 | 4 Date you began, or will begin, business at this facility<br>7/1/2015 |
| 5 Description of the improvements to real property for which this exemption is requested<br>17,580 Sq. ft. Service Facility - Estimated Cost \$4,000,000                | Date of commencement of construction of Improvements<br>10-2014        |

| 6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased |     |                  |                        |       |                  |       | APPRaiser'S USE ONLY |
|---|-----|------------------|------------------------|-------|------------------|-------|----------------------|
| Class or Item   | Age | Date of Purchase | Taxpayer's Estimate of |       |                  |       |                      |
|   |     |                  | Original Cost          | Cond* | Fair Market Rent | Cond* |                      |
| Tools - Estimated   |     |                  | \$ 109,300             | good  | \$               | \$    |                      |
| Furniture - Estimated   |     |                  | \$ 50,000              | good  | \$               | \$    |                      |
| Warehouse - Racks & Bins - Estimated  |     |                  | \$ 107,000             | good  | \$               | \$    |                      |
| Oil System  |     |                  | \$ 60,000              | good  | \$               | \$    |                      |
| Forklifts/Trucks  |     |                  | \$ 123,700             | good  | \$               | \$    |                      |
|   |     |                  | \$                     |       | \$               | \$    |                      |
|   |     |                  | \$                     |       | \$               | \$    |                      |
|   |     |                  | \$                     |       | \$               | \$    |                      |
|   |     |                  | \$                     |       | \$               | \$    |                      |

Average value of inventory on hand: 500,000 \*Condition: good, avg (average), or poor

Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.

|   |  |
|---|--|
| 7 Do you desire exemption as a <input checked="" type="checkbox"/> new business or <input type="checkbox"/> expansion of an existing business | 9 Trade levels (check as many as apply)<br><input checked="" type="checkbox"/> Retail <input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional<br><input checked="" type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other, specify: |
| 8 Describe type or nature of your business<br>Heavy Truck Facility (Freightliner dealership)  |  |

|  |   |   |   |
|--|---|---|---|
| 10 Number of full-time employees to be employed in Florida | If an expansion of an existing business: Net increase in employment | % Increase in productive output resulting from this expansion | % |
|--|---|---|---|

|   |           |            |   |
|---|-----------|------------|---|
| 11 Sales factor for the facility requesting exemption:          |           |            |   |
| Total sales in Florida from this facility-one (1) location only | 2,300,000 | divided by | Total sales everywhere from this facility-one (1) location only |
|   |           |            | 2,300,000   |
|   |           | =          | 100 %   |

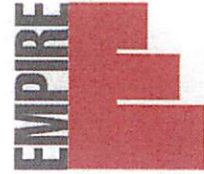
|  |                                  |  |
|--|----------------------------------|--|
| 12 For office space owned and used by a corporation newly domiciled in Florida | Date of incorporation in Florida | Number of full-time employees at this location |
|--|----------------------------------|--|

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

|                     |                               |                             |  |
|---------------------|-------------------------------|-----------------------------|--|
| Date                | 8-21-14                       | Signature, preparer         |  |
| Signature, taxpayer | <i>Gerald S. Swanson</i>      | Preparer's address          |  |
| Title               | CFO - Empire Truck Sales, LLC | Preparer's telephone number |  |

| Property Appraiser's Use Only  |                                   |
|--|-----------------------------------|
| I Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources  | \$ 45,414,473                     |
| II Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section  | \$ 3,484                          |
| III Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation                                 | \$ 16,181                         |
| IV Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted<br>Improvements to real property \$ 4,000,000 Personal property \$ 450,000  |                                   |
| V I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a<br><input checked="" type="checkbox"/> new business <input type="checkbox"/> expansion of an existing business <input type="checkbox"/> neither |                                   |
| VI Last year for which exemption may be applied  | 10 YEARS TOTAL (INCLUDING YEAR 1) |

Application to be filed not later than March 1 SEPT. 23, 2014 Date *[Signature]* Signature, Property Appraiser



August 27, 2014

Mr. William N. Chapman, Chairman  
 Board of County Commissioners of Walton County  
 72 North Sixth Street  
 Defuniak Springs, Florida 32433

Re: Empire Truck Sales, LLC - Mossy Head Project

Dear Mr. Chapman:

We are truly excited about the upcoming close on the Mossy Head property and are very appreciative of all the support given to us by the Walton County Economic Development Alliance. We plan to move forward quickly on the final design and construction of our new facility.

The purpose of this letter is to request your support in helping Empire to obtain an Ad Valorem Property Tax Exemption available to us under Chapter 196.1995 of the Florida statutes for a period of eight years from the completion of our facility. In support of our request, we submit the following estimates of our planned operations:

1- Employment

Total Facility – Estimated staffing and costs are as follows:

|                        |   |
|------------------------|---|
| Service Manager -      | Estimated Salary \$65,000                         |
| Parts Manager-         | Estimated Salary \$45,000                         |
| Service Administrator- | Estimated Salary \$35,000                         |
| Technicians            | Up to \$33.50 per hr. - estimated 1/3 at top rate |
| Parts Counter          | Estimated \$35,000 to \$40,000 annually           |

| Salary \$     | Start Up | Year 3    | Year 8    |
|---------------|----------|-----------|-----------|
| > \$55,000    |          |           | 1         |
| \$50 to \$55K | 2        | 4         | 4         |
| \$45 to \$49K | 1        |           | 2         |
| \$40 to \$44K | 2        | 2         | 2         |
| \$35 to \$39K | 2        | 3         | 3         |
| < \$35,000    | 2        | 3         | 4         |
| <b>Totals</b> | <b>9</b> | <b>12</b> | <b>16</b> |
| Techs         | 4        | 6         | 10        |
| Parts         | 3        | 4         | 4         |

If our business venture is as successful as we hope, the payroll will grow significantly over time.

2- Commerce

The first year parts and service revenue is forecasted to be \$2.3 million growing to \$2.6 million by the third year and \$3.0 million by the eighth year.

Additionally, Empire anticipates selling new and used heavy trucks through this facility in the future. The revenue generated by the sale of trucks can be significant but very difficult to estimate for a start-up facility. The average truck sales revenue for Empire dealerships for 2013 was \$6.0 million exclusive of our largest fleet customer, but we can give no assurance of when that sales volume can be achieved.

3- Use of funds

The additional funds provided through this exemption will be used primarily for employee training and will enable us to quickly grow the Mossy Head facility into a first class Freightliner dealership location. Our company typically invests approximately \$40,000 in training for each technician to secure the necessary certifications needed for factory warranty work. We have training expense that continues long after the initial certifications have been obtained. We anticipate the majority of our staff to come from the community and require substantial training, with full training typically occurring over a four year period.

4- Investment

Construction cost of the new facility is estimated to be approximately \$4 million, with an additional \$500,000 investment in tools, bins, furniture and other equipment. Additionally, the facility will maintain a parts inventory of approximately \$500,000.

We are also enclosing the completed Economic Development Ad Valorem Property Tax Exemption application with this letter. Please do not hesitate to let me know if there is any other information that you need. Empire plans to build and operate this facility in a manner that will justify your support. Thank you very much for your consideration.

Sincerely,



Gerald S. Swanson, President  
Empire Truck Sales, LLC

cc: Mr. Larry Jones  
Mr. Mark Davis  
Mr. Steve Jaeger  
Mr. Bill Wells

EXHIBIT B

LEGAL DESCRIPTION:

COMMENCE AT THE NORTHWEST CORNER OF SECTION 28, TOWNSHIP 3 NORTH RANGE 21 WEST, WALTON COUNTY FLORIDA, THENCE PROCEED S 00°27'59" E ALONG SAID WEST LINE OF SECTION 28 A DISTANCE OF 733.69' TO THE INTERSECTION OF SAID WEST LINE AND THE SOUTHERLY RIGHT OF WAY LINE OF CSX RAILROAD (100' RIGHT OF WAY); THENCE PROCEED ALONG THE SAID SOUTHERLY RIGHT OF WAY ALONG A CURVE WITH A RADIUS OF 2998.65' (CHORD BEARING N89°08'45"E, CHORD DISTANCE 1242.58, DELTA ANGLE 23°54'56") A ARC LENGTH OF 1251.65'; THENCE CONTINUE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF CSX RAILROAD A BEARING OF N78°53'47"E A DISTANCE OF 1678.96' TO THE INTERSECTION OF THE SOUTH LINE OF THE CSX RAILROAD RIGHT-OF-WAY AND THE WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 285 (RIGHT-OF-WAY WIDTH VARIES); THENCE PROCEED S30°23'41"W ALONG SAID WESTERLY RIGHT-OF-WAY OF STATE HIGHWAY 285 A DISTANCE OF 495.76' TO THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 285 AND THE SOUTHERLY RIGHT-OF-WAY LINE OF SAND MINE ROAD (RIGHT-OF-WAY WIDTH VARIES) AND THE POINT OF BEGINNING; THENCE PROCEED N59°29'11"W ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF SAND MINE ROAD A DISTANCE OF 111.24'; THENCE PROCEED ALONG A CURVE HAVING A RADIUS OF 540.00' (CHORD BEARING N68°28'12"W, CHORD DISTANCE 168.64', DELTA ANGLE 17°58'02") A ARC LENGTH OF 169.34'; THENCE PROCEED N12°32'47"E A DISTANCE OF 10.00'; THENCE PROCEED ALONG A CURVE HAVING A RADIUS OF 550.00' (CHORD BEARING N89°16'46"W, CHORD LENGTH 225.43', DELTA ANGLE 23°39'05") A ARC DISTANCE OF 227.04'; THENCE PROCEED S78°53'42"W A DISTANCE OF 547.62'; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY LINE OF SAND MINE ROAD PROCEED S09°14'23"E A DISTANCE OF 493.84'; THENCE PROCEED N80°45'32"E A DISTANCE OF 729.03' TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 285 (RIGHT-OF-WAY WIDTH VARIES); THENCE PROCEED N33°54'45"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 285 A DISTANCE OF 170.85'; THENCE PROCEED N30°23'48"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 285 A DISTANCE OF 235.44' TO THE POINT OF BEGINNING, DESCRIBED PARCEL CONTAINS #435693 SQUARE FEET OR 10.00 ACRES MORE OR LESS.